



Daily Report

Sub-Saharan Africa

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Presidents, Prime Ministers at Summit; Events Noted

CFA Franc Slated for Discussion

AB1001103794 Paris AFP in French 0648 GMT
10 Jan 94

[Text] Dakar, 10 Jan (AFP)—Eleven African heads of state and three prime ministers are attending the extraordinary summit on the CFA franc to be held behind closed doors today in Dakar.

They are Presidents Abdou Diouf from Senegal, Omar Bongo from Gabon, Paul Biya from Cameroon, Teodoro Obiang Nguema Mbasogo from Equatorial Guinea, Said Mohamed Djohar from Comoros, Mahamane Ousmane from Niger, Nicephore Soglo from Benin, Blaise Compaore from Burkina Faso, Alpha Oumar Konare from Mali, Idriss Deby from Chad, and Ange Felix Patasse from the Central African Republic.

Cote d'Ivoire, Congo, and Togo will be represented by Prime Ministers Daniel Kablan Duncan, Joachim Yhombi-Opango, and Joseph Koffigoh, respectively.

IMF Director General Michel Camdessus and French Cooperation Minister Michel Roussin are also attending the summit.

Burkina's Compaore on Devaluation

AB1001113594 Bamako Radiodiffusion-Television du
Mali Radio in French 0700 GMT 10 Jan 94

[Text] Malian President Alpha Oumar Konare is among the African heads of state and prime ministers participating today in the extraordinary summit on the CFA franc. The summit is aimed at adopting a common position on the eventual devaluation of the CFA franc. The presence in Dakar of IMF Director General Michel Camdessus and French Cooperation Minister Michel Roussin reinforces the idea that devaluation has become inevitable. Here is the position of Burkina Faso as given by President Blaise Compaore, who made a stopover yesterday at Bamako airport on his way to the Senegalese capital. He was answering questions from our special correspondents.

[Begin recording] [Compaore] As far as Burkina Faso is concerned, we intend to share our position with the other heads of state, for it is obvious that monetary manipulation may also be an economic measure. For our states, we will always have to raise the same issues of debt, the purchasing power of workers—the hardworking masses of our countries—and certainly the solidarity mechanisms which will shore up our union after such a measure. This means that with the other heads of state we will come up with a common position on the issue.

I think there is concern in all our countries. We do not have a final position. This depends on the advantages we

might obtain from this measure and also on what international organizations and France, our main partner, will tell us.

[Reporter] Is the fight against devaluation lost in advance? Can the franc zone countries put up solid arguments to the proponents of devaluation?

[Compaore] I think the problem is not at that level. What advantages do we have today with regard to the current economic situation? There is economic stagnation in all our countries. There is no investment and there is flight of the little capital that remains. We have a rather unpleasant situation. This means that what we are seeking today is not either devaluation or no devaluation. I think we have gone beyond this stage. Our concern today is whether devaluation will improve our economic situation.

In the event of devaluation, what are the relief measures to be taken? What will be the internal measures and what measures can we expect from the financial institutions and from our main partner, France, and the international community in order to improve our economies? The debate is not exactly whether we should devalue or not, but if we have to devalue today in the interests of our economies, what are the relief measures that we have to take with our partners so that this devaluation will not be a disaster for our economies?

[Reporter] It must be noted that 10 out of the 14 heads of state in the franc zone will take part in the Dakar summit. Cote d'Ivoire, Congo, and Togo will be represented by their prime ministers, while Cameroon will be represented by its finance minister. The extraordinary summit on the CFA franc has overshadowed somehow the second major subject to be discussed in Dakar—the situation of Air Afrique. The company is in very poor shape and the heads of state need to adopt a rehabilitation plan. They will also decide on the admission of Guinea Bissau as the 12th member and on the renewal of the term of office of Air Afrique's managing director, Yves Roland Billecart. [end recording]

Plan Adopted To Save Air Afrique

AB1001170394 Paris AFP in English 1526 GMT
10 Jan 93

[Excerpt] Dakar, Jan 10 (AFP)—Eleven African leaders on Monday [10 January] adopted a plan to salvage the beleaguered Air Afrique company with an injection of 18 billion CFA francs (61 million dollars) at a meeting here.

At the summit convened in the Senegalese capital because of a financial crisis facing the multi-national airline, its French director Yves Rolland-Billecart a new five-year mandate. Niger's former prime minister Amadou Cheiffou had been mooted to replace Rolland-Billecart, whom some African governments had accused of failing in his management of the airline.

The 11 heads of state and government gathered here called for a "financial audit" of the company.

Rolland-Billecart said his new plan provides for a profit of 300 million CFA francs (almost one million dollars) in 1994, turning round a deficit of four billion CFA francs (13.6 million dollars) in 1993. "There will be economies across the board, but no cuts in staff," he declared.

Share-holders of Air Afrique are Benin, Burkina Faso, Congo, the Central African Republic, Ivory Coast [Cote d'Ivoire], Mali, Mauritania, Niger, Senegal, Chad and Togo.

The last recovery plan Rolland-Billecart introduced in 1989 led to the loss of 1,750 jobs among 5,000. The new recapitalisation plan has been made necessary by the refusal in December of the African Development Bank to contribute to a raising of the company's capital, obliging each member state to pay 500 million CFA francs (1.7 million dollars).

France has agreed to help out countries unable to do so.

At the meeting here, Guinea-Bissau became the 12th member of Air Afrique. [passage omitted]

Accord Reached in 'In Principle'

*AB1101085094 Paris AFP in English 0452 GMT
11 Jan 94*

[Text] Dakar, 11 Jan (AFP)—Leaders from 14 African nations agreed in principle here late Monday to the devaluation of their common currency, the CFA franc, but reached no formal accord, authoritative sources reported. They said heads of state and government had endorsed the idea of a 50 percent devaluation of the CFA franc, a largely West African currency pegged to the French franc. But in return they called for stronger compensatory measures than were being proposed by either the International Monetary Fund or France, as one western source said many of the countries were unprepared for such a devaluation.

After meeting for six hours behind closed doors, sources said the discussions broke off at 10:30 P.M. (2230 GMT) and would resume early Tuesday.

The devaluation rate will be the same for all of the 14 countries in the Franc Zone, with specific financial measures applied to each country to offset the consequences, the sources said. Among the main measures called for are loans to help cushion the effect on imports, especially basic goods, which are expected to flood the market after devaluation. In addition delegates here urged the suppression or reduction in each of the 14 countries' debts, in particular with France, their main donor country. In addition, they are reported to have called for an unspecified amount of financial aid for businesses to offset higher salaries that will become necessary by a fall in individual buying power.

As the meeting broke up late Monday, there were no details of any specific figures, but aid to businesses would also help reduce debts and refill each country's coffers. But one donor told AFP many of the 14 nations

were unprepared for the effects of such a devaluation. "The spectre of devaluation, which has lain dormant since last August, has arrived without African leaders really believing it would happen and before they were able to take the necessary measures to accompany it," he said. And other Western sources said only the Ivory Coast [Cote d'Ivoire], which had already declared itself in favour of a devaluation, had come to the meeting well-prepared, armed with facts and figures. The other countries were forced to outbid their neighbors in a scramble for increased financial compensation.

The current parity between the French franc and the CFA unit has not been changed since 1948. One French franc is worth 50 CFA francs, or currently about 294 CFA francs to the US dollar.

Monday's agreement in principle has come after pressure from the International Monetary Fund (IMF), which has insisted on a devaluation in return for help with structural adjustment programmes.

The move would increase the price of imports, on which CFA franc countries are largely dependent, and open the way for more exports. Of 14 Franc Zone members, the only one likely to reap immediate benefit from devaluation is major coffee and cocoa exporter Ivory Coast, experts said. While devaluation would favour exports, regional leaders have argued that African goods face weak demand on international markets, thereby nullifying any likely gain from the initiative.

Attending the summit are heads of state or government from Benin, Burkina-Faso, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Ivory Coast, Mali, Mauritania, Niger, Senegal, and Togo and the Comoros. They were joined Monday after three hours of talks, by IMF Director General Michel Camdessus and French Cooperation Minister Michel Rousin, as well as the finance ministers from the 14 participating countries.

Gabonese Prime Minister Comments

*AB1101102594 Libreville Africa No. 1 in French 1230
GMT 10 Jan 94*

[Interview with Gabonese Prime Minister Casimir Oye-Mba by Africa No. 1 reporters Christian Dounou de Louamiy and Jean Valere Mbinamanza; place and date not given—recorded]

[Text] [Oye-Mba] A survey has shown that Gabon does not expect to gain from a devaluation of the CFA franc because the purpose of a devaluation is to increase the competitiveness of an economy. It implies that prices of the country's products—agricultural and industrial products which are exported and services—*v j*) decrease, thus enabling one to sell more abroad. However, in Gabon's case, the country depends mainly on oil, timber, manganese, and uranium today. The devaluation of the CFA franc would not enable us to sell more oil or timber. The price of oil has decreased because there is a current

glut in the international markets. There is overproduction of oil and OPEC's major debate is, precisely, on trying to regulate production to prevent oversupply. Therefore, based on the analysis of the structure of our country's economy, I can affirm that Gabon does not expect to gain from the devaluation of the CFA franc.

Now coming back to your question, the problem of price control is effectively a central one in the manipulation of exchange rates. There is a great risk of inflation. Why? Because the consequence of the devaluation of a currency is that all imported products automatically become more expensive in proportion to the devaluation, of course. It also means that human beings being what they are, each of us individually and, collectively—groups, societies, nations—each one will leave no stones unturned to restore the predevaluation situation in order to gain, as it were, what it would have been lost in the devaluation. All these phenomena create a spiralling price increase that must be controlled. If it is not controlled, the possible benefits of the devaluation will be annulled. The success or failure of any decision to manipulate the exchange rate in a country hinges on this price control.

[De Louamiy] I will go deeper into the question, Mr. Prime Minister. In a context of devaluation, the state, of course, finds itself in a situation where it has less income because exports remain at about the same level for certain countries like Gabon and are no longer able to fetch as much money as before. At the same time, the prices of imported goods remain at the same level. Since the state no longer has the full capacity to subsidize the prices of essential commodities, will we not end up in a situation where the purchasing power of citizens will be decreased?

[Oye-Mba] Of course. Effectively, the risk of a devaluation is that the purchasing power of the people decreases

because the value of the currency they use in acquiring goods reduces after devaluation. Besides, the state no longer has the same possibility to subsidize the prices of goods both for equipment or consumption. It is more difficult to do so, therefore, effectively, the consequence is the risk of decreased purchasing power which it is appropriate for one to examine. It is a question of making the right decisions for things to continue to move on even better than before the devaluation. I would say it is a whole alchemy; it is an art, it is an art.

[Mbinamanza] Has the Gabonese Government thought about these compensatory measures?

[Oye-Mba] Well, I am telling you that in the meantime, we consider that there should be no devaluation. There should not be any devaluation because Gabon will not benefit from any devaluation. Nevertheless, we are aware that our country is in an extremely difficult economic and financial situation. I have never hidden this from the Gabonese. We intend to pursue the policy that we have started, that of controlling the [words indistinct] of our country, notably the [word indistinct] of the state in the strict sense of the word. [end recording]

Summit Resumes 11 Jan

AB1101112594 Paris AFP in French 1032 GMT
11 Jan 94

[Text] Dakar 11 Jan (AFP)—The summit of 14 African states on the CFA franc, which was suspended last night, resumed in Dakar today at 1030 in order to find a common stand on the eventual devaluation of the franc. The deliberations are still going on behind closed doors. According to sources close to the participants, the principle of devaluation was accepted yesterday by the time the meeting was suspended but no agreement was reached on the relief measures requested by the African countries.

Ciskei Leader Announces Intention To Join TEC*MB1001143194 Johannesburg Afrikaans Stereo Radio Network in Afrikaans 1400 GMT 10 Jan 94*

[Text] Ciskei, one of the members of the Freedom Alliance, has decided to join the Transitional Executive Council [TEC]. Brigadier Oupa Gqozo of Ciskei told a meeting of chiefs and headmen in Bisho that state officials were informed that they would experience problems if they did not cooperate with the TEC and that the National Party and the ANC [African National Congress] had left him no choice. Ciskei, which has been gradually moving away from its partners in the Freedom Alliance, said last month that it would participate in the 27 April election.

IFP Issues Press Statement on Kattlehong Shooting*MB1001203294 Johannesburg SAPA in English 1922 GMT 10 Jan 94*

[Press statement by Gertrude Mzizi, IFP Transval Peace Desk, issued by the office of the Chief Minister of KwaZulu on 10 January on the SAPA PR Wire Service]

[Text] The IFP [Inkatha Freedom Party] deplores the shooting of SABC [South African Broadcasting Corporation] journalist Abdul Shariff during an ANC [African National Congress] visit to Kattlehong yesterday. We are conducting an investigation into the circumstances surrounding the incident and our leadership in the area has fully cooperated with police enquiries.

As a preliminary comment, however, we note the following:

1. Tokhoza and Kattlehong have been decimated by recent inter-ANC fighting, and all ANC attempts to resolve this have failed to date. This was the motivation behind Sunday's visit. Yet instead of calling the ANC's warring parties to a neutral venue, the ANC chose to go on an unannounced walk-about in the most highly contested part of the township.
2. Hostel residents are adamant that the first shots were fired at them from ANC-occupied houses alongside the hostel as the ANC entourage neared the hostel.
3. The ANC had not negotiated the visit with hostel residents—subject to constant ANC harassment and attack—whose first knowledge of what was happening was when a group of ANC supporters started approaching the hostel.
4. We find it incomprehensible that in the midst of a war zone, an armed ANC entourage was moving about in the vicinity of the hostel. Those armed included ANC leader Robert McBride, as well as SDU [self-defense unit] members and other ANC operatives who were openly flaunting their AK-47s. In the light of recent events in Tokhoza, there was nothing to indicate that their intentions were anything but hostile.

5. The four people arrested by the police are neither IFP supporters nor hostel residents. There is a very strong indication that in addition to shots fired at the hostel, shots were also fired at the ANC entourage by renegade ANC elements that have already claimed so many ANC lives in the area.

In short, we believe the ANC acted in a highly irresponsible manner and that the tragedy would never have occurred had the ANC planned its visit properly.

Buthelezi Warns Against SAP Entry Into Kwazulu*MB1101110094 Johannesburg SAPA in English 1037 GMT 11 Jan 94*

[Text] Ulundi Jan 11 SAPA—Entry by the South African Police [SAP] into kwaZulu without the formal co-operation of, and consultation with the kwaZulu Police will be regarded as an invasion, Inkatha Freedom Party leader Mangosuthu Buthelezi warned on Tuesday. The decision was made at a kwaZulu cabinet meeting, a statement by Mr Buthelezi said. "The kwaZulu government will therefore not hold itself responsible for the consequences which may ensue should such an invasion take place in areas under the jurisdiction of the kwaZulu police. And nor will the kwaZulu government be held accountable for anything that takes place outside formal arrangements and co-operation with the kwaZulu government," said the statement.

Mr Buthelezi said both police forces could operate in each other's jurisdiction only after consultation.

AVF Suspends Talks With ANC Following Mandela Comments*MB1001190894 Johannesburg SAPA in English 1855 GMT 10 Jan 94*

[Text] Pretoria Jan 10 SAPA—The Afrikaner Volksfront [AVF, Afrikaner National Front] has suspended negotiations with the African National Congress [ANC] following a televised statement by ANC leader Nelson Mandela that Afrikaners should not expect self-determination in a "volkstaat" [Afrikaner state] before the April 27 election. The establishment of a Afrikaner homeland was inevitable and the Afrikaner nation would now use other methods to gain its freedom within an own state, AVF chairman and Conservative Party leader Dr Ferdi Hartzenberg said in a statement on Monday.

The statement did not elaborate on the methods.

Dr Hartzenberg said Mr Mandela's standpoint made on SABC [South African Broadcasting Corporation] TV on Sunday was verified at a meeting on Monday afternoon between him and the ANC president.

"Mr Mandela's viewpoint was that the Afrikaner should indeed be accommodated, but that the concept of a volkstaat would have to be discussed by all ANC structures, which was practically impossible before April 27."

The AVF said Mr Mandela had undertaken to react to the AVF's demands after proper consultation with members of his organisation.

South African Press Review for 11 Jan

MB1101133594

[Editorial Report]

THE STAR

ANC Contradictory on Police Presence—Johannesburg THE STAR in English on 11 January in a page 12 editorial mentions the hostels, and the lack of police presence in Katlehong, as "two distinct aspects" of the events that led to the killing of a journalist in a shootout during a visit to the area by Joe Slovo and Cyril Ramaphosa on 9 January. A "veritable arsenal" was found in the hostel at the center of this attack, and in this respect the police "appear to have failed the community. They should deal with problem hostels more effectively." But the African National Congress, ANC, "is not beyond reproach either. It did not ask for protection on Sunday, probably because of its well-known hostility towards the Internal Stability Unit, the only SAP [South African Police] presence in the area. Yet it now complains about the absence of the SAP. Mr Mandela went so far as to say that it was not relevant whether the ANC had or hadn't asked for protection. We beg to differ. If the ANC doesn't want the police around, it should not go marching into well-known trouble spots unprotected."

BUSINESS DAY

Criticism of ANC Reaction to Katlehong Shooting—Johannesburg BUSINESS DAY in English on 11 January in a page 4 editorial says the potential victims of the shooting in Katlehong on 9 January, were Cyril Ramaphosa and Joe Slovo, and their "violent deaths would again have taken South Africa to the brink of disaster, and perhaps beyond. That, and the fact that photographer Abdul Shariff was killed and two other journalists injured, has shaken the renewed confidence that has developed since the signing of the constitution in November. Even more disturbing is that gun battles of this sort are almost daily events in that part of the East Rand, and in parts of Natal." BUSINESS DAY believes the ANC's reaction to the shooting "did little to support its argument that it is ready to govern. It instinctively sought a scapegoat and, as usual, the police were the obvious and easiest choice. Why, after all, should they not be everywhere all the time, even if their presence is often described by the ANC as provocative rather than helpful?" BUSINESS DAY further wonders how the ANC would address the problem of violence. "Will it take harsh and ultimately ineffective security action against the 'enemy'—such as the Inkatha-supporting hostel dwellers—while leaving alone the gangsters acting in the name of the ANC among the self-defence units? The threatening parallels with National Party rule are not encouraging."

SOWETAN

Katlehong 'No-Go Zone' for Media—"The death of photographer Abdul Shariff at the hands of faceless killers in Katlehong on Sunday is a stark reminder of the frontline role media workers have assumed at this stage," notes a page 6 editorial in Johannesburg SOWETAN in English on 11 January. It seems to SOWETAN that "there is an attempt to create no-go zones for the media in these areas, apparently so that the mayhem in the hapless communities of the East Rand, will continue without the prying eyes of the media. Media workers must not allow that to happen."

CITY PRESS

Call for ANC To Control Self-Defense Units—Johannesburg CITY PRESS in English on 9 January in a page 14 editorial finds it "galling" that those responsible for the latest round of killings in Katlehong and Thokoza are members of the self-defense units, SDU's, "structures which were created for the specific purpose of curbing violence in the townships." "No one can deny that some SDU members are involved in violence. But if the police were doing their job efficiently, and some of them were not colluding in the violence as several respectable organisations have alleged, there would be no need for SDUs." "For too long the ANC has been shirking its responsibilities instead of clamping down on the culprits by subscribing to the fiction that the SDUs were not their creation. With uncertainty looming ahead, disbanding the SDUs once a national peace-keeping force has been established may not be a solution. What is needed is for senior ANC members to take control of them so that its actions are monitored."

ILANGA

SADTU, Cosas Promises—Durban ILANGA in Zulu for 10-12 January in a page 4 editorial notes: "The promises by the teachers' union, the South African Democratic Teachers Union, SADTU, and the student organization, the Congress of South African Students, Cosas, to make this year a trouble-free one for the education process must be commended and supported by everyone who favors progress in the education field. We trust that this means that right from the beginning of the year school pupils can go back to being just exactly that, school pupils. We trust also that they will now desist from playing principal and taking on themselves the task of registering pupils and hiring and firing teachers." "We repeat, that this is a good thing, indeed, that is being promised by these student and teacher organizations, but we need to know the details of just what they are promising." "We also say that you parents should stand up for your rights as parents to see to it that your children do not become pawns in the games of the ruthless right under your noses. Let us as a nation take these promises seriously and make sure that they are fulfilled."

Angola**Government, UNITA Discuss Creation of National Force***MB1001210194 Luanda TPA Television Network in Portuguese 1930 GMT 10 Jan 94*

[Text] The government and the National Union for the Total Independence of Angola [UNITA] continue to discuss the formation of the national police in Lusaka, Zambia. It is so far the only point under discussion and it seems as if it will continue to be discussed for some time. UNITA is presently examining the organic composition of the national police so that it can then present its views. Reporter Joao Ligio reports.

The Lusaka II peace talks resumed today with only a meeting of an ad hoc commission established to carry out plenary sessions without disruption. The face-to-face meeting which took place today did not last long. The meeting began at 1000 and two hours later it had already ended with another request for a break.

The session began with the government giving detailed information on the national police law, as requested by UNITA. UNITA then immediately asked for another break to study the law. Since there was no time limit for studying the law, the next session will depend on the speed with which UNITA studies the law, which it says was approved by a parliament in which it did not take part.

This is another step backward by the Black Cockerel's men, who are trying to gain time, since so far, they have not reached a common negotiating stand within their ranks. It has also been learned that UNITA negotiators received serious warnings, because of UNITA's intransigence, during a meeting they held with U.S. Congressmen yesterday at Victoria Falls, 473 km from Lusaka, along the border with Zimbabwe.

UNITA Build Up Noted Around Cuito*MB1101081694 Luanda Radio Nacional Network in Portuguese 0600 GMT 11 Jan 94*

[Text] While one waits for peace from Lusaka, in Angola the war continues. Over the weekend, National Union for the Total Independence of Angola [UNITA] rebels strengthened their positions in the outlying areas of the city of Cuito, Bie Province. Local sources say UNITA reinforcements have come from Soyo. UNITA plans to mount a large-scale attack on the city of Bie.

Savimbi's men have attacked the town of Limbombos in Bengo Province, and Quienje and Ukuma in Huambo Province. UNITA's heavy artillery fire caused a substantial number of dead and wounded among civilians.

Foreign Minister Comments on New Year Plans, Portugal*MB1101070294 Luanda TPA Television Network in Portuguese 1930 GMT 10 Jan 94*

[Text] Foreign Affairs Minister Venancio de Moura has said that 1994 is a decisive year for this country's international relations. To begin with, the Foreign Affairs Ministry will seek to increase even further its diplomatic work in Africa and other parts of the world and indications are that there are good prospects for success.

[Begin Moura recording] Within that context, many meetings are planned for Africa and other parts of the world. It is worth noting that the OAU has some scheduled meetings, beginning with one in February. There are also some planned visits by foreign affairs ministers expected to visit us this year. We have the summit of the heads of state of the Lusophone African, PALOP, countries, preceded by a meeting of PALOP foreign ministers. We have a meeting of our ambassadors, at which I am sure we will be discussing issues pertaining to management, competence, and the commitment of all to their diplomatic duties, which they must discharge in an increasingly responsible manner. The peace process must be defended, as must be the interests and the property of the Angolan State. Abroad, we must seek to project a dignified image of Angola. All those will be issues to be discussed at that meeting, which is scheduled to take place this year. We believe that this year is decisive for us to show greater commitment on all fronts and a greater dedication to the national cause so that peace can become our principal objective as early as possible this year. [end recording]

The People's Television of Angolan also asked Foreign Minister Venancio de Moura to comment on a problem that has prompted a protest by the Angolan Embassy in Lisbon. The Angolan foreign minister noted that there is the need for great understanding for the benefit of relations between the two countries.

[Begin Moura recording] It is not the first time that this happens. We have been receiving reports and we have been using the most appropriate channels to urge the Portuguese authorities to behave in a manner compatible with this kind of situation, considering that we share historic and privileged relations and that there are norms to be followed in relations between two sovereign states, notably with regard to reciprocity and mutual advantages.

We have tried to attend to Portuguese citizens whose presence in Angola is often irregular, so we would not like our compatriots and, in particular, Angolan citizens who are senior government officials and their families to be expelled or humiliated because of the poor understanding—I think it has to do with poor understanding—and sometimes even the subjective approach of some functionaries in the Portuguese Immigration and Border Services Department. Those people enjoy immunities and privileges. Our consulate has also made some contacts in a bid to request greater understanding on the part of the Portuguese authorities and to ask for measures to be taken to

prevent similar situations arising again. Should our requests not be heeded, obviously we shall have to start considering the implementation of one of the principles listed in the Geneva Convention and which have to do with reciprocity. [end recording]

Envoy on RSA Rightwing Groups Aiding UNITA

MB1001145194 Umtata Capital Radio in English 1300 GMT 10 Jan 94

[Text] Angola's ambassador to Namibia says rightwing extremists in South Africa are sending mercenaries and

aid to the rebel UNITA [National Union for the Total Independence of Angola] group. Garcia Bires says there is solid evidence to prove that South African rightwing groups are sending equipment to UNITA, via Zaire. Bires says white mercenaries, believed to be from South Africa, are fighting alongside UNITA in northeast Angola. He refused to name the extremist groups involved in aiding UNITA, but says it's a coordinated effort among the rightwing groups. The ambassador's claims come as UNITA and the Angolan Government are pursuing negotiations in the Zambian capital Lusaka to end their civil war.

Ghana

Government To Seek Compensation From Togo

AB1001134794 Accra Ghana Broadcasting Corporation Radio Network in English 1300 GMT 10 Jan 94

[Text] The minister of foreign affairs, Dr. Obed Asamoah, has said that the Government of Ghana would take steps to ensure that the Togolese Government pays compensation to the families of the Ghanaians killed during last week's political disturbances in Lome. Speaking to the GBC [Ghana Broadcasting Corporation] in Accra, Dr. Asamoah said the government will insist that Togo pay reparations for damages caused to Ghana.

Nigeria

Abacha Presents 1994 Budget, Comments on Politics

AB1001205894 Lagos NTA Television Network in English 1801 GMT 10 Jan 94

[Address to the nation by Head of State General Sani Abacha on the presentation of the 1994 budget in Abuja on 10 January—recorded]

[Text] Fellow Nigerians, there is in our country today a great yearning for a new direction. This yearning, which grows more urgent by the day, is both legitimate and understandable. After nearly three and a half decades of hopes raised and hopes dashed it should not be surprising that Nigerians are weary and worried. Having gone through several years in which their faith in the national enterprise has been abused and affronted, our people's impatience with the government and almost total distrust of its functionaries can no longer be dismissed as mere cynical.

At the birth of this nation 33 years ago, expectations were high and the possibilities for greatness were almost limitless. We appeared set for grand attainment to fulfill what the rest of the world saw as our manifest destiny to lead the black race into the mainstream of human civilization. But just as it seemed as if our sun was rising, twilight came and we have been groping ever since waiting for a new dawn. That we must recommence our journey to greatness is clear enough. What is not clear is the state of the vehicle with which to embark on that journey. Therefore, even as we yearn fervently for a speedy arrival at our destination, there is a need for us to pause and ponder as to the shape of the vehicle in which we sit to make our journey. Nigeria is today like a vehicle which has been reduced to a cannibalized contraption. It is a vehicle heavily buffeted by the elements and badly battered by its users. No one undertakes a journey with such a contraption. When confronted with such a situation, the sensible thing to do is to commence in earnest extensive repair works having established the causes and sources of the damage. This, in a nutshell, is the assignment with which this administration is now saddled.

Point of departure: In my maiden address to the nation on Thursday, 18 November 1993, I did touch on some of the factors that necessitated our positive intervention. In the course of this address I shall elaborate on those factors as a way of placing the specific measures adopted by the budget in proper context. Firstly, it must be obvious by now that our country has gone through one of the most difficult phases any nation has ever had to go through. On the economic front, enormous sacrifices were demanded from our people to undo the near total damage done to the national economy in the days of careless wastage. Nigerians readily made the required sacrifices only to find out that their gesture was not matched with expected results. All through the past decade or so the nation's economic foundations had been badly shaken and our cherished values almost totally subverted. In all these our people sought and found solace in the expectation that a new political order was in the making, which, when instituted would make the economic misfortune more bearable and the required sacrifices less harrowing. Our people gave all that it took to institute that new order, believing in the wisdom of the sage which said: Seek ye first the political kingdom and every other thing shall be added unto it. For eight years our people sought the political kingdom and conscientiously too. But just as the new political dispensation began to take shape, it suffers a horrendous blow. Months after that debacle our country is yet to recover from the impact of that rude shock which took the nation back to a point below zero level.

At the height of the crisis no aspect of society was spared and no public institution escaped its destructive fallout. Our country was drifting in a manner that not only threatened the ship of state, but indeed, also the entire foundation of our existence as a national entity. It was in the midst of this dangerous drift that we found it necessary to step in to check the incipient chaos and secure the integrity of Nigeria as an indissoluble federation. We did so like other key players of the political class who were involved in an elaborate game that became a riotous event. We make no pretensions about capability but, ironically, the military still remains the only institution in the position to put an end to the drift towards the yawning abyss of total collapse of the nation. Mission-minded, the foregoing constitute the historical context of current efforts [word indistinct] relevant and appropriate direction for Nigeria's socioeconomy.

Our policy direction for 1994 must therefore aim at the refashioning of the present ways of doing government business. A pointer to this need was given in my maiden address to the nation when I committed this administration to the necessity of reform of the major agencies and institutions of state. The problems which afflict our nation's institutions have brought them into disrepute and caused our people to be disenchanted with government. This administration has thus paneled a high-powered commission of inquiry into the affairs of those institutions that make or break government to demonstrate in concrete ways the need to set out our home in

order before we begin to effectively use its resources for the enhancement of the quality of life of our people.

It must be stated that this administration is not, by the act of instituting reform panels, out to embark on vendetta. Rather, we believe that those reforms will form the basis for a renewed phase in our institutions and government. Let me emphasize that the reforms will be a continued exercise designed to ensure greater sensitivity of government to our people's desires, greater accountability, and transparency in government and, above all, greater responsiveness by government.

This administration places a very high premium on the genuine wishes of our people. This must be so because the immediate factor in our decision to intervene was the obvious drift in government occasioned by the estrangement of those in government from the governed. Previous administrations simply rejected and neglected to recognize the drift towards disintegration of our country due to their actions and inactions. Nigeria was close to disintegration at the time the military intervened on 17 November 1993. It had become increasingly clear to us, and indeed to most Nigerians, that the best way out for us was to intervene to save the descent into anarchy.

This administration recognized at inception the undercurrents of the political crisis of our immediate past which was the reason for the decision to institute a constitutional conference to look into the multitude of problems which afflict us as a nation. The idea of an all-Nigeria constitutional conference is an idea whose time has come. This administration is committed to ensuring that the proposed conference meets the expectation of our people's collective yearnings for a more united Nigeria.

Furthermore, this administration has chosen through the proposed conference to play the vanguard role in channeling the energies of our people towards meaningful interaction in planning the course for the future of our country. We do not intend to abdicate this responsibility. Accordingly, the government has decided and will soon enpanel a constitution commission whose charge is to organize the proposed constitutional conference. The conference in time will make appropriate recommendations to the Provisional Ruling Council on an accepted political framework and program which will lead to the emergence of a democratic polity.

The apprehensions and reservations of a few of our countrymen and women about the proposed constitutional conference are fully recognized and appreciated. But these should not detract from the good intentions which form our original decision to convene the conference. Government will not abdicate its responsibility in providing the necessary and sufficient framework for a fruitful conference. Government wishes to appeal to all our people to be part of the genuine effort at fashioning a fair, just, and equitable basis of our collective existence.

Fellow Nigerians, having found ourselves in the situation of authority we have the responsibility to preserve

our country from collapse and at the same time to visibly pursue the course of justice and fairness. It is also clear to us that this task before the nation is to pinpoint the problems as objectively as possible and to identify patriots who are prepared to sacrifice their time and leisure to honor a total call to duty and finally draw up a program of action. The general acceptance of the team we have assembled both in the Provisional Ruling Council and the Federal Executive Council strongly suggests that the action taken to ensure that Nigeria existed for us to deliberate on its future was based on sound judgment.

We are, however, not fooling ourselves into believing that because we have been joined by trusted eminent leaders from all sections and sectors of our nation, we have hereby solved the problems of the twin legacies of our inheritance, namely, a badly fractured polity and a dangerously weakened economy. We believe, however, that by ensuring a national administration composed of widely respected leaders charged with supervising our national search for a meeting ground, our intention to serve only as supervisors of this process remains genuine, nationalistic, and patriotic. We recognize that ours is a limited mandate. We also recognized that the process of reconstituting our polity and our economy must be undertaken by both the government and the governed.

The State of the economy: Fellow Nigerians, the economy which this administration inherited was once characterized by great disabilities and great instabilities. On virtually all the indices, the outlook was rather [words indistinct]. Economic output, (which) was measured by gross national product, has been on a steady decline in the past few years. Owing to the sluggish growth, employment has stagnated, while the phenomenal growth in money supply, fuelled by expansionary fiscal policies have had pressure on the oil sector. Interbank and lending rates have risen to unprecedented levels, resulting in declines in investment and production. All these have been worsened by the collapse in the value of the naira, the attendant rapid increase of service charges on external debts, and the worsening of the balance of payments profile. In short, it can be said that inadequate fiscal discipline complicated the already high incidence of budget deficits, which in turn made efforts at economic reforms more difficult to handle and led to a worsening of social conditions.

Review of the 1993 budget: The federal budget of 1993 was formulated to address and redress the declining economic activities. One of its advertised objectives was to promote accountability and transparency in the management of public finance. The budget also aimed at enhancing public sector activities and social programs, while eliminating market distortions by giving freer reign to private enterprise. For reasons which are not too difficult to discern, the 1993 budget performed rather poorly, both in terms of attainment of set objectives and fidelity to the overall strategy. The budget deficit soared

to 90 billion naira and this resulted in an excessive growth in money supply. The economy experienced high inflation, depreciation of the naira, and continued low capacity utilization in the (real) sector. The political crisis which took up most of the second half of the year, only served to further accentuate these already serious problems.

The 1994-1996 rolling plan: The three year rolling plan was introduced to replace the five-year medium-term program as a development strategy. The two objectives of the 1994-1996 rolling plan are to institute correct macroeconomics policies and instill fiscal discipline in order to fashion a more conducive environment for economic growth. It is this imperative that provided the context for the 1994 federal budget.

Goal of the 1994 budget: The goals of the 1994 budget have been set to reverse the negative trend of the recent past. These goals are:

1. A balanced budget firmly anchored on fiscal discipline and abolition of deficit financing.
2. Identification and mobilization of new sources of collective revenue.
3. Exchange rate stabilization and the reversal of the high incidence of capital flight.
4. Rationalization of interest rates to stem the decline of the rural sector.
5. Adoption of a comprehensive budgeting approach to bring all projects into the process.
6. Reduction in the level of subsidies and subventions to federal government-owned companies and parastatals, particularly those slated for partial or full commercialization and outright privatization.
7. Effective debt management strategies to reduce the debt service burden on domestic commitments and obtain debt relief from the external creditors.
8. Rehabilitation of social-economic infrastructure and strengthening of the law and order apparatus to provide a conducive environment for legitimate economic pursuits and private initiative.
9. Increase in the capacity utilization of the industrial sector and effective sourcing of local raw materials.
10. Promotion of growth linkages in the rural economy.
11. Promotion of employment opportunities to reduce the current high level of unemployment, especially among the youth.
12. Policy fidelity and close monitoring of implementation to ensure the attainment of these objectives.

These goals, singularly and in concert, define an economic framework for budget plans, and are, therefore, measures for ensuring overall discipline in our recovery

effort. This administration will use these goals as a standard for measuring the performance of sectors, institutions, and officials. This administration wishes to serve notice that the monitoring and review of strategic institutions of public policy, which we have commenced, will continue to be intensified. This administration will neither tolerate the subversion of its programs and policies, nor will it allow its articulated goals and guidelines to be casually discarded or treated as mere suggestions.

Revenue projection: In the 1993 budget, revenue projections were premised on a continuing conservative outlook of oil price behavior. Unfortunately, the price of oil during the year fell below the projected level of \$17.50 per barrel. This is why the 1994 revenue projection from crude oil sales is based on the realistic price of \$14 per barrel, calculated on an exchange rate of 22 naira to a dollar. This translates into an estimated revenue of 231.40 billion naira. Non-oil revenue is estimated at 47.1 billion naira. The Federal Government's retained revenue is estimated at 110.20 billion naira.

Expenditure estimates: The expenditure estimates for the 1994 budget are largely influenced by the need to achieve the prime objective of a balanced budget. Therefore, government has adopted a budgetary approach which will commit all government expenditures to only available resources. Thus, the total expenditure outlay is estimated at 110.20 billion naira.

In addition to the traditional ministerial allocations, government will seek to provide funding for projects, will multiply effects on our economy such as:

1. High-yield seed development program for improvement in agriculture production.
2. Special incentives for small-scale industries involved a production of basic needs.
3. Funding for research and development efforts.
4. Activation of support for the export processing zone.
5. The liquefied natural gas and other gas and oil related projects.
6. Special assistance program for the educational sector.
7. Continuous support for the National Directorate of Employment.
8. Enhanced security program in the urban centers and on major highways.
9. Support for highway and city lightening program to meet the Federal Ministry of Works [as heard].
10. Support for the mass transit program.
11. Rehabilitation of tertiary health institutions and medical research centers.

States and local government finances: From the cautious approach adopted in the 1994 budget in regard to revenue from oil sales, it has become more necessary than ever, for state governments and local councils to further improve on their internal revenue generating efforts. Also given the acute concern for accountability and transparency which informed this budget, the Federal Government expects strict financial management at the other two levels of government and a visible pursuit of probity in the conduct of the activities. Local councils will continue to be funded directly from the federation account. In addition, they will continue to receive the mandatory 10 percent of state governments internally generated revenue. The state governments are required to make quarterly returns of all such transfers to the federal Ministry of Finance.

Foreign exchange rate: The achievement of the exchange rate stability, which is one of the foremost objective of this budget, requires the abolition of deficit financing, increasing aggregate supply of foreign exchange through intensified export promotion, encouragement of foreign investors, and the strengthening of measures to mobilize non-oil exports proceeds. While government remains committed to the policy of deregulation and to safeguard the integrity of the market forces, it is by now recognized that one of the fundamental factors which have further complicated the national economic crisis is the low exchange rate of the naira in relation to other currencies. Government is of the firm belief that the new economic direction of policy should be such as would create the right environment for the strengthening of the naira.

Government is aware that its due share of foreign exchange earnings by parastatals and government-owned companies, are not fully credited to it. Measures have therefore been put in place for effective tracking of foreign exchange earnings with a view to correcting existing anomalies. Consequently, government has decided that all foreign exchange earned by both private and public sector exporters of goods and services will henceforth be brought into the national foreign exchange account. For the avoidance of doubt, the concession formally granted to private exporters and parastatals to keep their foreign exchange earnings outside the central bank is hereby abolished. Also, in the light of our recent experience and in view of the need to create a favorable atmosphere for economic revival, government has decided that the exchange rate of the naira be fixed at 22 naira to a dollar. Government will actively monitor this decision. Government expect that Nigerians will contribute towards ensuring the sanctity of this rate against all odds.

Other measures that have been adopted in order to strengthen the value of the naira include the following:

1. All imports are henceforth to be done on the basis of letter of credit, that is LC, supported by import duty reforms, IDR, and clear report of findings, CRF, except for imports that cost \$1,000 or less. Imports of open accounts, including bills on collection, except on specific

approval for the manufacturing and agricultural sector are abolished. All importers are to complete Form M. All imports of foreign exchange into Nigeria must henceforth be through the Central Bank of Nigeria, which shall guarantee free and unimpeded access to such forex for imports of goods and services. For the avoidance of doubt, any importer who has forex to use to import goods or services must first of all have to declare such to the Central Bank of Nigeria, complete the Form M, and establish the necessary letter of credit based on the use of funds earlier lodged with the Central Bank or designated banks. It would not be the basis for operating the LC nor could it be repatriated subsequently.

Bureaux de change are henceforth agents of the Central Bank. As such, they are to henceforth sell foreign exchange at the rate prescribed by Central Bank plus a fixed commission. Bureaux de change must therefore not sell forex to finance imports, nor should they sell more than 2,500 or equivalent to any one customer. Returns of transaction must be made to the Central Bank every month.

6. [Number as heard] All parastatals, corporations, companies, voluntary organizations, and any agency whether foreign local, government or private which earn or bring foreign exchange into the country must report and lodge same with the Central Bank or Central Bank designated banks and spend such only in accordance with the prescribed guidelines but without any other impediment or question by the authorities. In other words, those who earn or bring in foreign exchange should be free to utilize it as they deem fit within the guidelines to be prescribed. The guideline should be gentle enough not to scare away prospective depositors.

7. All companies, agencies, and individuals, bringing forex into Nigeria must do so only through the Central Bank or approved banks. Such foreign exchange deposits could be withdrawn freely either in naira or foreign exchange with interest at the prescribed rate. Depending on the formula that the central bank could adopt for the sale of forex importers, the commercial and commercial ad merchant bank should only act as conduit for handling transactions on behalf of genuine clients. In this regard, appointed banks should only charge prescribed commission for their services.

9. [Number as heard] The minister of finance should bring to the Federal Executive Council proposals and ways to improve custom duty collection, including the possible use and inspection agents and the redefinition of the role of the Custom and Excise Department.

10. Henceforth high customs duty will be imposed on luxury goods and such goods should not be funded from official sources. A list of such items will be prepared by the Ministry of Finance and cleared with the Federal Military Government. In order to enhance their capacity, the Central Bank and the Department of Customs and Excise will be revamped and restructured to cope with the new challenges and added responsibilities

in the foregoing decision and the overall efforts to revamp the national economy. This is to be without prejudice to the proposed reorganization of the customs duty collection system.

Finally, the Central Bank is to ensure strict supervision of the designated bank so that the abuses witnessed in recent years in the use of foreign exchange are eliminated and the erring banks appropriately sanctioned. To give efforts to the realization of all these economic measures an Economic Intelligence Committee will be established to monitor the strict implementation of all these policy measures.

Fiscal Policy Measures: Fellow Nigerians, the main thrust of fiscal policy in 1994 is the adoption of coherent measures that ensure expenditure discipline and revive revenue drive. To this end, the minister of finance has been directed to evolve workable measures for ensuring that all duties payable on imports are fully captured into government coffers. Concomitantly, a more vigorous effort will be made to curb smuggling and reduce the leakage of collectible revenues. The life of the present tariff regime is due to expire in 1994 and a committee has been set up to review the current tariff structure and come up with a comprehensive new structure in 1995.

Government has decided to introduce excise duties of some products this year. Details of these will be given by the honorable minister of finance in his budget breakdown. Suffice it to say here that all importers of goods must brace up for the payment of full duties as no new exemptions will be entertained outside of those already provided for by law. This measure will be applicable to all government agencies at all levels. Tax policy in 1994 will aim at encouraging genuine entrepreneurs while improving the enforcement of existing laws and the machinery for tax collection. However, a new tax on consumption known as value added tax, VAT, is to come into effect this year. States are to benefit from the yield of this new tax up to 80 percent of total collection. Also, withholding tax on rents, interests, dividends, among others, has been raised from 5 percent to 10 percent with effect from 1994.

Monetary and Credit Policy: Government has for some time been concerned about developing an appropriate macroeconomic package that will simultaneously address the issue of the low value of the national currency. The steep rise in interest rate, high commodity prices, and the ability of the productive sector to source credit and perform adequately. [sentence as heard] After due consideration of the report of the committee raised to examine these issues, government decided to firm up interest rate so as to save genuine economic activity. Consequently, the Central Bank has been given the charge to enforce strict compliance with the various existing regulations and to ensure that banks and other institutions found violating such rules are sanctioned appropriately. Specifically, government has decided to peg interest rates as follows: Savings and deposit rate is now fixed at between 12 and 15 percent; lending rate is

fixed at 21 percent, inclusive of all charges. This means that 21 percent should represent the upper limit to be charged on any loan inclusive of legal and other charges.

Fellow Nigerians, the unseemingly manner in which critical indices of our economic health has been grossly abused in the past few years call for decisive and drastic measures. With the existing interest rate regime, it has become clear that real producers were being penalized while peddlers of paper money, crafty manipulators, and idle speculators were milking the economy dry. No responsible government would fold its arms and watch such a negative trend continue unchecked. It is in our determination to do something positive that these new measures are being introduced and we sincerely hope that hard-working Nigerians who are the ultimate beneficiaries of a saner interest rate regime should rally around government in ensuring that these measures are not sabotaged. Additionally, in its efforts to ensure compliance with the new dispensation that the Central Bank is mandated to go beyond routine [words indistinct] where necessary and adopt active measures to bring transgressors to book.

With regards to structural allocation of credit, government has decided that in 1994 structural allocation of bank credits should give priority to agricultural and industrial production. Thus, the structural percentage distribution of commercial and merchant bank credit in 1994 shall be 60 percent of all credit to agricultural production and manufacturing enterprises, while non-oil exports and others would be allocated 40 percent. The ratio of rural lending to deposit, mobilize in the rural communities would remain at 50 percent in view of the pressing need to accelerate rural development.

Debt management: The management of the country's internal and external debt continues to present serious problems for macroeconomic policy and the attainment of growth objectives. In the attempt to reduce the level of debt stock, government has adopted policy measures that will lead to outright elimination of contracts not provided for in the budget. This would be in keeping with one of the cardinal points of this year's budget which is a vigorous curtailment of expenditure to ensure a balanced budget.

With regards to the serving of domestic loans, the federal Ministry of Finance and the Central Bank of Nigeria have been charged with the assignment of designing a scheme which will result in reduction in annual debt service in real terms.

On the external loan front, government will continue to strive to reach an accommodation with Nigerian's creditors with a view to ensuring more favorable terms. It is our hope that the creditors will appreciate the particularly delicate phase through which Nigeria is now passing and exercise restraints in making impossible demands that can only serve to further worsen the tenuous economic and political situation of these times.

The social sector: From the broad outline given so far in this address, it should be obvious that the fiscal year of 1994 will be an intensely demanding period in terms of budgetary discipline and adherence to enunciated goals and objectives. Government recognizes that the past few years have been especially harrowing for many Nigerians, particularly people in the low- and middle-income groups and those engaged in genuinely productive economic activities. It is government's intention and determination to bring some long overdue relief to our people in the area of public transportation, access to affordable and qualitative education, health services, provision of water and adequate food supply at reasonable prices. Government is of the firm belief that such relief measures can still be comfortably accommodated within the context of a balanced budget. What is required is the adoption of the right economies in the areas of checking public sector wastage, ensuring a shift away from the current practice of using scarce public resources to subsidize the already affluent through lopsided pricing of services, enforcing a tax drive that will raise the revenue accrue into public coffers, glutting of sundry leakages in the official economy, and capturing of all economic activities into the formal sector. [sentence as heard]

We are under no illusion that this would be an easy task. Indeed, carrying them out successfully will require a blend of political will with which governments in Nigeria are not usually associated. Yet, we are acutely aware of the desperate situation in which we now find ourselves and have come to accept that there is really no alternative to keeping faith with our people than through sincerity and sufficient management of the economy to enable it carry out the needed social services. Consequently, 1994 will witness more vigorous activity on the part of government in the provision of improvement of social services, especially in the area of transportation and road maintenance, schools management, public health, and other related infrastructure. Our approach to the provision of social services is derived from the philosophy of social sector management which views those services not merely as items of public expenditure but more importantly as investment in a better organized society, and ultimately as imperatives for future progress given their enormous multiply effect.

Drug enforcement: Drug trafficking has become a monumental national embarrassment and a cancerous malaise which is a great source of concern for this administration. Nigeria is not a producer of drugs yet because of the indiscipline of some of our people, and their general tendency to get rich quick, have turned Nigeria into a notorious drug route. This attitude has an unhealthy effect on the image of this country. This administration therefore is determined to stamp out drug trafficking in all its ramifications.

Categorically, government has decided to revamp and reorganize the national Drug and Law Enforcement Agency to make it more responsive to its responsibility. It is pertinent to note that the recent seizure of drugs with a street value of over \$300 million within our shores

lend credence to this our renewed and vigorous efforts to fight the incidence of drug trafficking. We appeal to the international community to cooperate with us in this our current drive to stem the drug trade from our shores and plead for the exchange of information and technical assistance toward the attainment of this objective. Henceforth, government will deal ruthlessly with drug traffickers and their agents and will not tolerate the damage drug trafficking and other antisocial behaviors done to Nigeria's image.

Government is determined to ensure strictest obedience and the enforcement of stiffest penalties on offenders and assert no efforts will be spared to track down traffickers and their agents.

Youth and sports: Government is committed to constructive programs of youth development for nation building. In pursuit of this noble goal, the Ministry of Education and Youth Development as well as the National Sports Commission will continue to develop appropriate youth programs to prepare our young men and women for productive adult life. The future of any nation depends on a well-articulated and effective youth policy which can only be ignored at the nation's peril. This administration is highly impressed by the immense contribution of our youth in global competitions, particularly in the age group football competitions. The recent victory of our Golden Eaglets for the second time under 17th FIFA [Federation of International Football Associations] soccer competition in Japan, is an excellent example of the height which commitment and patriotism can propel us as a people. I enjoyed the Super Eagles who have qualified for the senior World Cup to emulate the excellent example of their kid brothers.

The government on its part will do everything to ensure a proper and result-oriented build-up to the prestigious global competition tagged USA 94. Government will do everything possible to make the requirements of FIFA to ensure Nigeria hosting of the under 20 youth soccer competition scheduled for next year. Apart from a domestic following which soccer enjoys in our country, hosting the competition will enable us to provide the world with strategic insight to our capabilities, potentialities, and the state of the development of the game of football in particular in Nigeria.

As we enter a year in which Nigeria will participate in many global sporting competitions, government enjoins all organs charged with the responsibility for sports development to show commitment and a sense of purpose in their preparation so that our flag can fly high to the glory of our beloved country.

The activities of those charge with the development of sports in the country, will henceforth be closely monitored. Government can no longer watch with indifference when those charged with the heavy burden of sports administration in the country, dissipate so much energy in endless bickering thereby making us the laughing stock in the international community.

The interphase of domestic policy and external demands: We are now more aware of the relationship between the various aspects of reform programs we have sought to implement and their overall effect on the quality of life of our citizens. We know that if we service debts, whose total legal character is yet to be ascertained, with our 30 kobo of every externally accrued naira and if the percentage devoted to servicing of our debts continued to increase while the total income continued to decrease, our people's welfare would also continue to be mortgaged. We know that if we embarked on economic reform projects that tie the hands of government and disable government from putting in place programs that will shelter the most vulnerable sector of our society from the negative effect of these reforms, we are actively increasing the ranks of disaffected who will demand other protection from these effects or call for a change of the economic order and of government.

We know that we cannot embark on a ruinous debt service regime, mount an economic reform program, and initiate difficult changes of our political system all at the same time. While investors' capitals seek new arenas opened by the ending of the cold war, it is apparent that the Nigerian managers of our economy would have to organize novel ways of undertaking reforms without increasing the volume of conflicts within our social order. The international community must also come to understand the implications of these various programs that have shaped the condition of life of our citizens. It is no longer enough to insist on reforms whose pattern of effect has now been catalogued country after country and yet for the international community not to appreciate what are the likely outcomes of changes that it advocates.

Nigeria, like other African countries similarly situated, have implemented structural adjustments of their economies. They are carrying the heavy burden that their debts place on their shoulders and they are saddled with the effect of a painful and conflict-ridden democratization of their policies. These three projects are all sources of conflict that threaten social order and peace. There must be a way of spacing them and managing the conflicts they generate. This administration believes that equal attention must now be devoted to the management of peace within our societies. Peace can no longer be assumed. New ways have to be devised for anticipating the conflict effects inherent in policy reforms. New complicities in approach have to be articulated. We know that in this task Nigeria must continue to contribute its leadership in assisting the international community in developing peaceful alternatives to the pursuit of political objectives through wars. As the curtain falls on the apartheid order of South Africa, a new day for African dawns, calling for the birth of a new leadership. This administration extends its invitation to the international community to join it in its exploration of the current condition of conflict situations that now limit our ability to march forward.

Reinvigorating the executive branch: The various measures outlined in this year's budget require renewed

dedication on the part of those whose business it is to implement government policies. The existing structure of the executive branch cannot serve the inherited statecraft crisis without fundamental restructuring of legacies. The civil service which traditionally has served as the implementing arm of the executive branch has over the years lost momentum in part because of the negative impact of previous reform measures. Government views with concern the current decline in the output of the civil service and is determined to do something about it. Accordingly, government has decided to revisit the 1998 civil service reform with a view to reviewing its underlying premises, its execution, and implementation to date.

Significantly, however, there is a compelling and urgent need to enhance coordination as a management imperative in the executive branch of government. In the recent past, the size of the executive branch has grown so large as to be unwieldy. Quite a handful of agencies have found accommodation in the Presidency, whose scheduled responsibilities are duplications of what regular federal government ministerial departments do. In addition, the sheer size of the executive branch compounds the input processing problems and inevitably leads to the burdening of the chief executive by multiple actors, while the wearisome implication for undue centralization of power. [sentence as heard]

This administration cannot afford the pleasure, the luxury of operating the existing bureaucratic structures which under conditions more conducive and more supportive was only efficient in serving the personal interest of those entrusted with authority. Government is concerned that the present organization of work in the executive branch is administratively routine and results in much activity and traffic, but without the result of functional policy leadership. Government has therefore decided on the restructuring of the executive branch to make it functional in decisionmaking, decision execution, and decision monitoring.

Fellow Nigerians, in surveying the sad record of our recent past, it will be rather tempting to want to continually lament what has indeed been a tragic study in missed opportunities. It would be perfectly understandable if Nigerians now choose to engage in an unending recrimination over what went wrong, to point accusing fingers, or even to wallow in self-pity. Even before things went so bad, the apportioning of blame had become a growth industry in the society. Yet, even as we legitimately vent our anger and express our disappointment at the cavalier manner in which our lives have been mismanaged, we need to reconcile ourselves to the fact that life must go on. The past becomes an albatross only if we fail to learn from it and heed its lessons. It is now time to seek a sober understanding of what went wrong. We must now resume our search for unity and prosperity firmly anchored on peace and justice. We must collectively recommence the task of rebuilding our polity and restructuring our economy.

The 1994 budget has been articulated as a modest beginning in this direction. It has been said that the true test of a nation's progress is not how much it adds to the abundance of those who already have too much, but how well it is able to provide for those who have too little. The policies this administration wishes to pursue in 1994 are aimed at providing the right atmosphere for economic growth that goes hand in hand with social compassion. This cannot but be so, given the injuries of past years. Still, a lot will depend on all Nigerians to be patriotic enough to seek to work within the set guidelines and policies rather than seeking ever more imaginative ways of sabotaging the budget, to support a government in its effort to generate more revenue by ensuring prompt and correct tax declaration and bringing their income-earning activities into the official economy, to adhere strictly to business ethics instead of indulging in arbitrary increase in prices and lowering of the quality of their goods under the guise of the regulation, to refrain from acts that tend to smear the image of the country and which discourage the much-needed inflow of genuine foreign investment, to ensure high moral standard of discipline in the economic and other activities, to imbibe a better work culture, especially in rendering of public service, to rekindle faith in ourselves and our ability to create a Nigerian economic miracle, to remain continually vigilant in holding people in authority to set standards, especially with regards to accountability and

transparency in government and, finally, to refrain from doing anything that will further complicate the already testy political situation so as to ensure the stability required for economic recovery.

All these are demands that underscore the need for discipline in the conduct of private and public affairs. On our part, we have committed government to initiate [word indistinct] see to restore orderly existence through the resuscitation of the war against indiscipline and corruption. We are determined to prosecute this war to the best of our ability. To this end, let me note that government had in the past decade invested massively in the infrastructure of public discipline. The appropriate agencies are hereby directed to speedily deploy what was committed to public discipline by preceding administrations for current purposes. The budget will attract criticism normally, but it is important to appreciate the commitment of this administration to brighten the prospect of our country, improve economic management, and create a stable and conducive political climate.

A lot needs to be done, but I have no doubt that together we can build a better future for our great country. Please accept in arrears my best wishes for a happy and prosperous new year. Long live the Federal Republic of Nigeria! Thank you and God bless our country.

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